

# Staff Summary Report



Council Meeting Date:

5/20/2010

Agenda Item Number: \_\_\_\_\_

**SUBJECT:** Request approval of annual excess insurance renewal program for fiscal year 2010/2011 to include excess property, primary and excess liability, crime, excess workers' compensation, and auto physical damage insurance purchased through the City's risk management consultant/broker, Marsh USA, Inc.

**DOCUMENT NAME:** 20100520fst12 PURCHASING (1004-01)

**COMMENTS:** (T05-109-01) Total amount shall not exceed \$1,100,000.

**PREPARED BY:** Ted Stallings, CPPB, Procurement Officer, 480-350-8617

**REVIEWED BY:** Michael Greene, CPM, Central Services Administrator, 480-350-8516  
Laura Guerrero, Risk Manager, 480-350-8321

**LEGAL REVIEW BY:** David Park, Assistant City Attorney, 480-350-8907

**DEPARTMENT REVIEW BY:** Jerry Hart, CPA, Financial Services Manager, 480-350-8505

**FISCAL NOTE:** Sufficient funds have been appropriated in Risk Management Fund cost center 2621 for the anticipated expenditures in the fiscal year 2010/2011.

**RECOMMENDATION:** Approval of the 2010/2011 excess insurance renewal program.

**ADDITIONAL INFO:** Background Information

Marsh USA, Inc., the City's insurance broker, solicited competitive quotes for the following coverage's for fiscal year 2010/2011:

<u>Coverage</u>	<u>Name of Carrier</u>	<u>Coverage Amt.</u>	<u>Premium</u>
Property/Auto Physical Damage	Lexington Insurance Co.	\$816,915,273	\$403,319
Liability	Everest National	\$10,000,000	\$245,000
	Endurance American	\$20,000,000	\$112,840
	Great American Insurance Co. Of New York	\$10,000,000	\$ 31,500
Workers' Comp. (excess SIR \$750,000 for public safety and \$500,000 all Others)	Safety National		\$168,240
Crime	Fidelity and Deposit	\$2,000,000	\$ 10,350

Property insurance coverage has been enhanced significantly to include full value of all facilities. In addition, full replacement of LEED certified facilities to obtain recertification is included with no increase in premium. Excess workers' compensation premiums increased, as well as the self-insured retention for public safety due to our loss experience. However, we had a slight reduction in the liability insurance premium for an overall excess insurance renewal program reduction of 5.5% compared to last year.